

Judy Shephard, Northamptonshire County Councillor for Moulton Division,
comprising the villages of Boughton, the Bramptons, Hannington, the Harlestons, Holcot, Moulton,
Old, Overstone, Pitsford, Spratton and Walgrave.

Annual Report to Parish Meetings April 2018

I have now been your County Councillor for the past 21 years and in all that time I have never had to write a report in such a challenging environment and of such a serious nature about recent Northamptonshire County Council activities. I have found this year to be completely without precedence.

I am sure you are all aware as the news has been dominated in recent weeks on the way that Northamptonshire County Council Cabinet has been operated financially which has led to Commissioners now in all probability being called in at the end of April. I will try to elaborate:

NCC, year on year, has historically faced a financial shortfall due to lack of appropriate and lessening funding from HM Government for Adult Social Care and Children's Services. HM Government has also imposed budget savings on Northamptonshire totaling £400m since 2010 despite us being a targeted housing growth area, having a large number of Looked After Children (including 'Unaccompanied asylum Seekers' which incidentally cost us £35k per child per annum but we only receive reimbursement of £23k by Government) and with a higher percentage of over 85 year olds due to advancing medical treatments increasing longevity. This has meant that this year we faced a £50m funding gap between what we have to provide by law and setting a viable budget. This has left Adult Social Care on the edge of intervention.

We were also capped this year on the maximum amount that Council Tax could be set at. (6% although we set ours at 5.98%). In the past we have prided ourselves on having the lowest council tax in England but that now, in hindsight, was too ambitious a call, as this decision added to our Social Care shortfall year on year.

As part of the NCC annual budget scrutiny process to find these savings, four areas came under particular focus: Libraries, Trading Standards, Bus Subsidies and Highways, especially Winter Gritting. It became apparent quite quickly following this January's public consultation on the 3 Library options (which elicited a huge response of over 5000 responses on Libraries alone) that this was a

particularly unpopular set of spending efficiency proposals. It was agreed by Cabinet and the Conservative Group in February that we should amend these proposals by reinstating some of the proposed bus subsidies and going for a softer option on Libraries which would at least have saved some of our libraries under threat of closure. Throughout all this time I liaised and worked with the Friends of Moulton Library and Moulton Parish Council to try to retain Moulton Library.

Our Chief Finance Officer issued a Section 114 Notice in February which in short was due to the uncertainty of setting a balanced budget. In essence a spending curb was placed on all unnecessary NCC spending. This Notice is still in place. Further to that NCC's outgoing Accountants KMPG issued an Advisory Notice on the eve of our Full Council Budget Meeting stating that our proposed Budget was unlawful and that the savings we had hoped to reinstate following the consultation would have to be actioned in full. The Conservative Group were now obliged to make the unpalatable decision of having to reverse our latest proposals on Libraries and busses and to find even more savings on top, which included a staff pay freeze and a 10% cut in our own allowances. The popular Empowering Councillors Grant was also deleted. Throughout all of this time I continued to work with Friends of Moulton Library and Moulton Parish Council to achieve the best outcome for our cherished Library as a viable community asset.

Max Caller CBE, an Independent Inspector was called in by Secretary of State, Savid Javid MP, in January to prepare a report on Best Value in the delivery of NCC services to be completed by 16th of March. This Inspection would be a far reaching appraisal on how NCC was managing its financial affairs. Mr Caller interviewed MPs, outside bodies, staff and many Councillors, (District and Borough and County) including myself in his quest.

Max Caller's Report, sent to Savid Javid MP, was very hard hitting with two clear recommendations for the future, including his view that a new start was needed of local government towards two unitary councils (one in the North and one in the West). This, he states, should be pursued to help protect vital services in the county. Max hopes this will be achieved by 2020 which will mean Northamptonshire County Council would then cease to exist. Mr Caller also made it very clear that it is not the fault of the hardworking and dedicated NCC staff that these problems exist.

His Recommendations are: (and I paraphrase)

- *That a new start is required which can deliver confidence and quality by the creation of two new unitary councils (North and West).*

- *That the Secretary of State should give serious consideration to whether Commissioners should take over the running of all services save planning.*

Max Caller criticized the overuse of capital receipts and also highlighted Budget Scrutiny shortcomings and lack of proper oversight of implementation of the Council's plans for Innovation. He highlighted that it was difficult for Backbenchers to know what was going on financially and that Backbenchers were 'snowballed' when seeking further relevant information.

Savid Javid MP has in his formal response, which was relayed to the House of Commons on the 27th of March in response to Max Caller's Report, said that he is minded to implement a package of interventions including two Commissioners, the lead Commissioner concentrating on Governance (or how the Council is run) and the other commissioner to work closely with our Authority on strategic financial planning and budgetary control. They could be in place by the end of April. In the meantime Max Caller has invited considered views from NCC Members and Officers by 14th of April before finalizing his decision. Incidentally NCC have to pay the Commissioners salaries and expenses.

Within our own Conservative Group our Leader Cllr Heather Smith has decided to step down along with our Finance Portfolio Cllr Robin Brown. The Interim Chief Executive Damon Lawrenson has also left. We have reformed our Conservative Group with Matt Golby now our Leader and Cecile Irving-Swift as our deputy. A new Cabinet has been announced. This is just the beginning of some positive sweeping changes that will be made in the short time we have left as a County Council.

One Angel Square, the new Council Office Building which was in the process of being sold with a leaseback clause has been "paused" while we await a clear view from the incoming Commissioners on the correct process to follow as there are concerns relating to VAT and Stamp Duty.

This year's report is longer than normal - but I feel it is such a very important issue it is wholly warranted. This has not been an easy year for any elected member of the county council. It has not passed as I, your local member, would have wished.

There have been many recriminations, some true some not, and the new leader has apologized to residents of the county for the failings of the council. I feel it is right that we now draw a line under the past and focus on the future. However long or short that may be.

JMS April 2018

